

# Plugging In

**A whole new industry of consultants is springing up to help major companies set up shop on the World Wide Web**

By Clinton Wilder

**F**ROM SOHO TO SILICON VALLEY, a new industry has sprouted from the fertile landscape of the Internet's World Wide Web. Dozens of small startup companies, known as Web service providers, are working with businesses large and small to help them create, publish, and maintain home pages on the Web.

Large corporations seeking to tap the marketing potential of the Net are fueling this new breed of company offering technical know-how and graphical design acumen in short order. These fast-turn-around artists, with cyber-inspired names like Free Range Media and One World Interactive, help companies get up to speed on the intricacies of the Web in the race to tap the ever-expanding community of Net surfers.

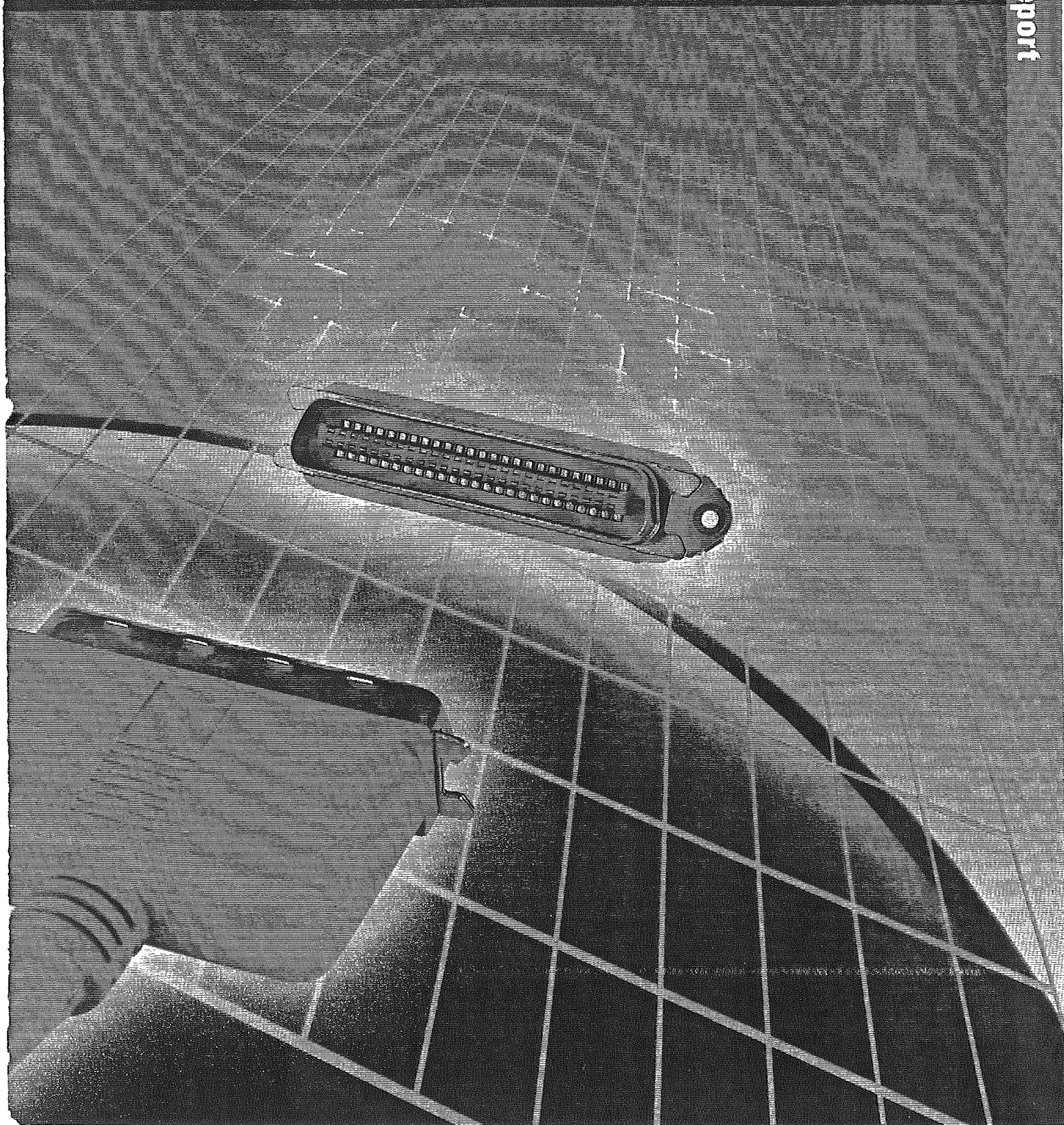
They're helping companies as large as General Electric Co. and Visa International Inc. to construct their online storefronts. Corporate

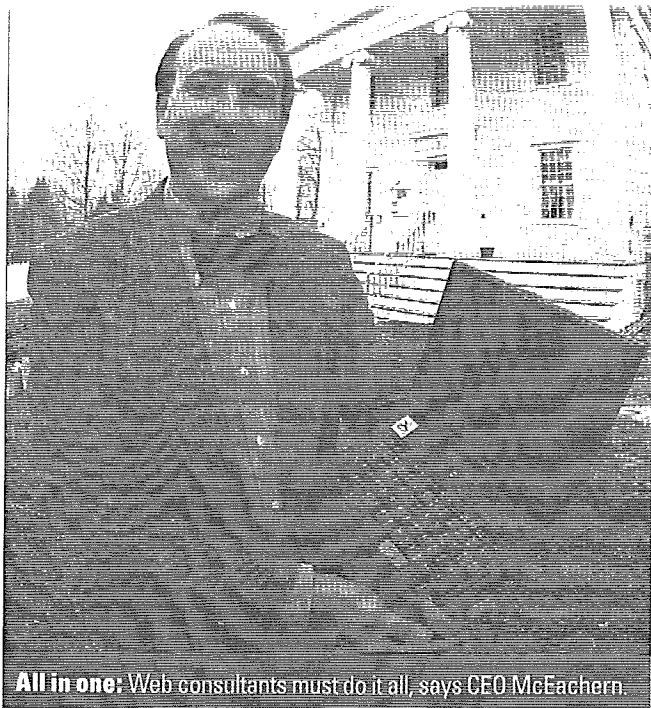
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# to The Web

Special Report





All in one: Web consultants must do it all, says CEO McEachern.

giants are finding they need help in designing appropriate content, coding the Web's standard HyperText Markup Language (HTML), and choosing a server platform.

"When we first started exploring the Web, we started from ignorance," says Rick Pocock, general manager of marketing communications at General Electric's plastics division in Pittsfield, Mass. GE Plastics wanted to make chemical specs available to customers via the Internet, and realized it lacked a core competency in Web technology.

As with any new industry, there are potential pitfalls. Those looking to hire consultants should make sure the consultants have the skills needed for the job they're undertaking. Be sure to ask for references and look at the work they've done for others.

There's a very real potential that companies could end up spending thousands of dollars on their Web projects only to find the end results don't meet corporate expectations.

## Hire Experts

Certainly, many companies have constructed their own home pages and run them on in-house servers (see story, p. 50). But others find it's not worth the cost and hassle to assemble a staff to convert corporate documents into HTML, choose among the dizzying array of Web applications and security software hitting the market, and maintain a home page on dedicated servers.

That was the case for Visa International, which wanted its home page up and running in time for the annual American Bankers Association con-

vention last September. Visa contracted with Web service provider Net+Effects Inc. in San Jose, Calif., to create a home page that includes general company background, basic financial-planning modules and, soon, an interactive database of automated teller machine locations worldwide where Visa cardholders can get cash.

## Someone Else

"We found it was more cost-effective to have someone else do it for us," says Mary Coady, director of Visa's corporate relations department, who spearheaded the project with involvement from colleagues in marketing and information technology. "We don't have the facilities or people with the right expertise. It was a no-brainer to outsource it."

How can a company as large and technologically savvy as Visa say that? Because its Web initiative, like so many others under way in corporations today, was an entrepreneurial, cross-functional project that needed to move quickly. For a Web page, the outsource versus in-house decision depends on factors very different from running a data center or cranking out a C++ application.

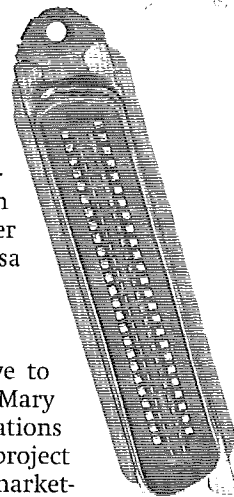
Since a home page represents a company's image and partially open door to the outside world, producing an effective one means combining marketing, creative, public relations, and technology talents. Web consultants specialize in providing this combination of expertise.

"We're one part ad agency, one part graphics design, one part HTML programming, one part database work, and one part consulting," says Tim McEachern, president and CEO of One World Interactive, a Web services provider in Spencertown, N.Y.

The last piece may be the most important. No matter how skilled a marketer your company is, successful cyber-marketing is a whole different ballgame.

"Even if you have a great graphic arts department, you still need some help [figuring out] what works online," says Jordan Gold, publisher of online services at Macmillan Publishing USA's digital division in Indianapolis. "Too many people treat the Net like people treated desktop publishing 10 years ago, churning out a lot of fonts and making it pretty. If your Web page looks completely different from your corporate image, it defeats the purpose."

Macmillan chose Free Range Media in Seattle to help design its ambitious home page, which runs on a Sun Microsystems SparcServer 20. Macmillan's "Information SuperLibrary"



## Selected Web Service Providers

### Free Range Media

206-340-9305, <http://www.freerange.com>

Key customers: Macmillan Publishing, Westin Hotels, Symantec

### WAIS

415-617-0444, <http://www.wais.com>

Key customers: Dow Jones, Intel, Novell, Colgate-Palmolive

### One World Interactive

518-392-6928, <http://www.omi.com/onestworld/>

Key customer: GE

### OnRamp

212-764-4747, <http://metaverse.com>

Key customers: Reebok, AT&T, NEC

### Net+Effects

408-739-0557, <http://neteffects.com>

Key customers: US West, U.S. Navy, Visa International

### The Internet Group

412-688-9696, <http://www.tig.com>

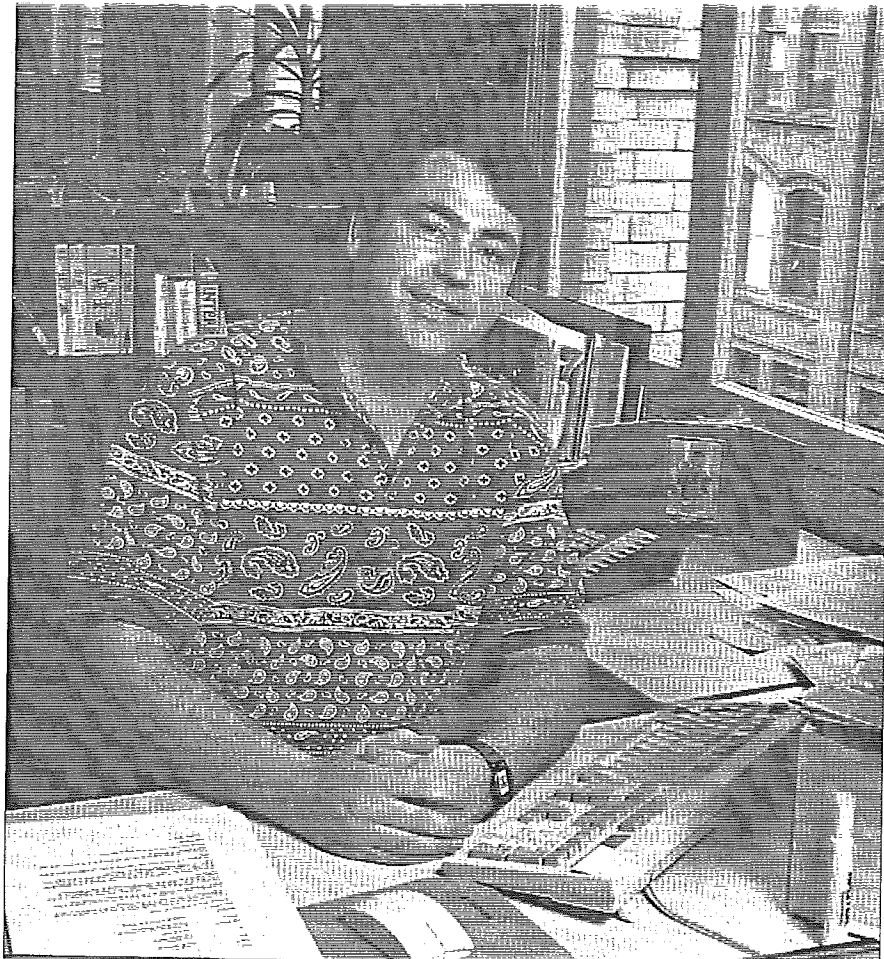
Key customers: Ameritech, Fisher Scientific

### Intersé

408-732-0932, <http://www.interse.com>

Key customers: UUNet Technologies





**The difference:** Easy does not always mean good, according to Free Range Media's Fry.

offers Net users the ability to browse Macmillan's titles, select books they wish to order by moving them into an onscreen "bag," search a database of all the bookstores in the U.S. and even listen to audio clips of *Politically Correct Bedtime Stories*.

Like most corporate "Webmasters," Gold won't disclose what Macmillan spent to go online. But he concedes, "you need to spend at least \$100,000, including the hardware, if you do it on any scale at all."

Prices vary widely. Most Web service providers say you can spend as little as \$10,000 for a very basic home page with simple content and little interactivity. A general rule of thumb is \$100 to \$300 per "page" or screen of information, says McEachern. But it's not a one-shot expense; consulting contracts usually include regular site maintenance and content updates.

## The Big Picture

Roy Gattinella, VP of marketing at Windham Hill Records Inc. in Menlo Park, Calif., looks at Web development cost in the context of a marketing budget. Windham Hill went live in February with a Web site designed by Intersé in Sunnyvale, Calif., and Gattinella says the cost equals what the music company would have spent on a "national limited-reach consumer print campaign." A lot of those costs pay for the expertise of knowing what works on the Web and what doesn't.

"HTML is easy; good HTML is not," says

can include bandwidth-eating graphics and video. "You can give those users a much bigger picture and they won't be upset with you for slow response times," says Net+Effects president Bill Selmeier.

Although you can't design everything for the lowest-common-denominator user, be aware of those limitations. Offer alternative text-only downloads of information where appropriate, or at least warn users about particularly interminable downloads before they click on.

Companies with broad consumer appeal should be especially aware that they will attract Net surfers coming through commercial online services at speeds of 9,600 bps or even less. "Since Prodigy started offering Web access, our numbers have really jumped," says Windham Hill's Gattinella.

Although it's hard to call any company typical in an industry as nascent and dispersed as Web service providers, Free Range Media's brief history is at least illustrative. Fry, a former product manager at Microsoft Corp. and an independent video producer before that, co-founded Free Range in a Seattle warehouse in April 1994. Now with about 20 employees, Free Range has designed more than 20 Web sites for customers that include Macmillan, software vendors Wall Data and Symantec, and

Andrew Fry, co-founder and VP of Free Range Media and co-author of the upcoming book *How To Publish On The Internet* (Warner Books, 1995).

"You're not merely creating a single page; there's a definite psychology to it," says Fry. "The more interactive, the better. You're trying to attract a business online. You need people to come through your door and you want them to come through many times," he adds.

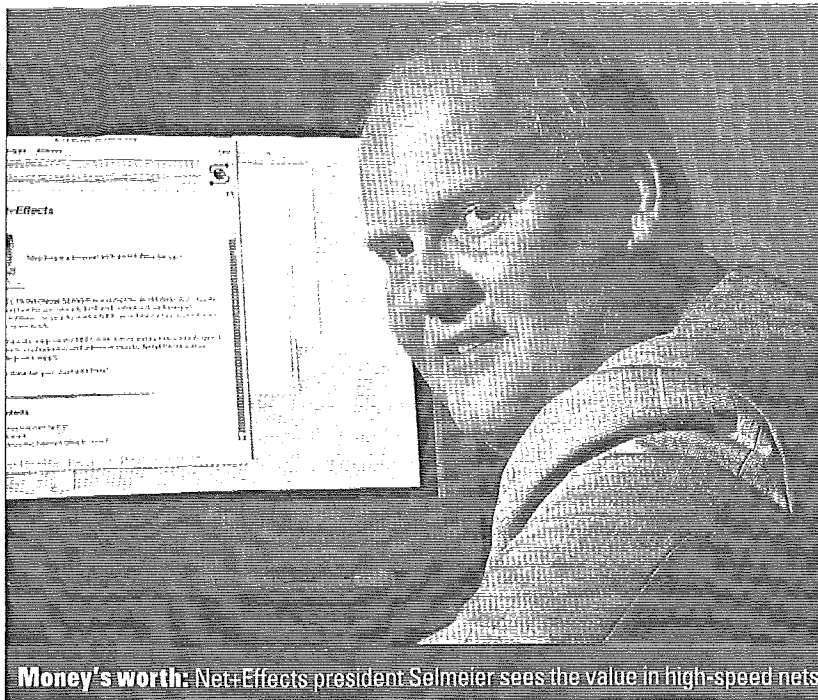
## A Simple Rule

One simple rule: Make it interesting. A good example is MCI Communications' home page featuring its fictitious Gramercy Press publishing house, says Debra Aho Williamson, managing editor of *Advertising Age's* Interactive Media And Marketing section. "It's an exploration, almost like a game," she says. "It's not just blue words all over the place. The thing is to make it exciting, engaging, and something you want to come back to."

And how fast users are able to navigate your content makes a big difference in how you design it, Web service companies say. If your Web page is primarily targeted at other corporate users on 56-Kbps, T1, or other high-speed networks, you

See related review, p. 58

OPENLABS



**Money's worth:** Net-Effects president Selmeier sees the value in high-speed nets.

the Westin Hotel chain.

If there's any doubt that Web publishing is a specialized expertise, take a look at some of the computer industry's most successful players who have opted for outside help with their home pages. WAIS Inc. (Wide Area Information Servers) in Menlo Park, Calif., sports a customer list that includes high-tech giants Novell, Intel, Sun Microsystems, Cisco Systems, Pacific Bell, and Perot Systems. Novell's home page includes product updates and customer references; Cisco's is an automated help desk; Perot Systems' is an internal home page with indexed résumés of its technology specialists.

Like some other Web service providers, WAIS sells its own server software, WAIS-Server 2.0, with modules for user registra-

tion, content billing, invoicing, text searching, and other online functions. The company also works with systems integrators such as EDS,

KPMG Peat Marwick, and IBM's Integrated Systems Solutions Corp., the latter on a project to post content from a major metro newspaper.

"We really focus on the Internet as a distribution channel," says WAIS president Brewster Kahle. "Very few companies think through their objective for their Web service, [such as asking] 'What's the business model?'" WAIS tried to help companies make those determinations, Kahle says.

Who are you trying to reach: MTV maniacs, upscale thirtysomething technophiles, corporate software buyers, or structural engineers? They all use the Web, but effective methods for organizing online information to each group are as diverse as the

groups themselves. Even if you have the technical skills in-house to create Web content, outside expertise on what works can help.

"It would be very easy for us to create incredibly dull stuff," says GE's Pocock, whose home page contains extensive technical information about the company's polymers and resins for customers in the auto parts finishing industry. One World Interactive is currently helping GE design an onscreen automobile where users can click on the bumper, for example, to learn how GE's Xenoy resin can strengthen and protect it.

Because his staff members have been working with One World since August, Pocock admits they now know enough about HTML and hypertext links to do it themselves. But One World's expertise with the nuances of the Net make it worthwhile to maintain the link. "If we

looked at this very narrowly, we could do it ourselves without paying the consultant's profit margin," Pocock says. But he recognizes the value of the consultative role and the brainstorming that results from working with people who bring a different perspective.

### Another View

Other companies, however, will be more willing to bring their Web efforts back in house as more reliable products for the do-it-yourselfer come on the market. Such products include HTML converters such as Interleaf Inc.'s Cyberleaf and Microsoft's Internet Assistant for Word, and Web server software from vendors including Netscape Communications, Open Market, Spry, and Process Software. "The dynamics of build versus buy will probably change as more commercial tools become available," says Cathy Medich, executive director of Com-

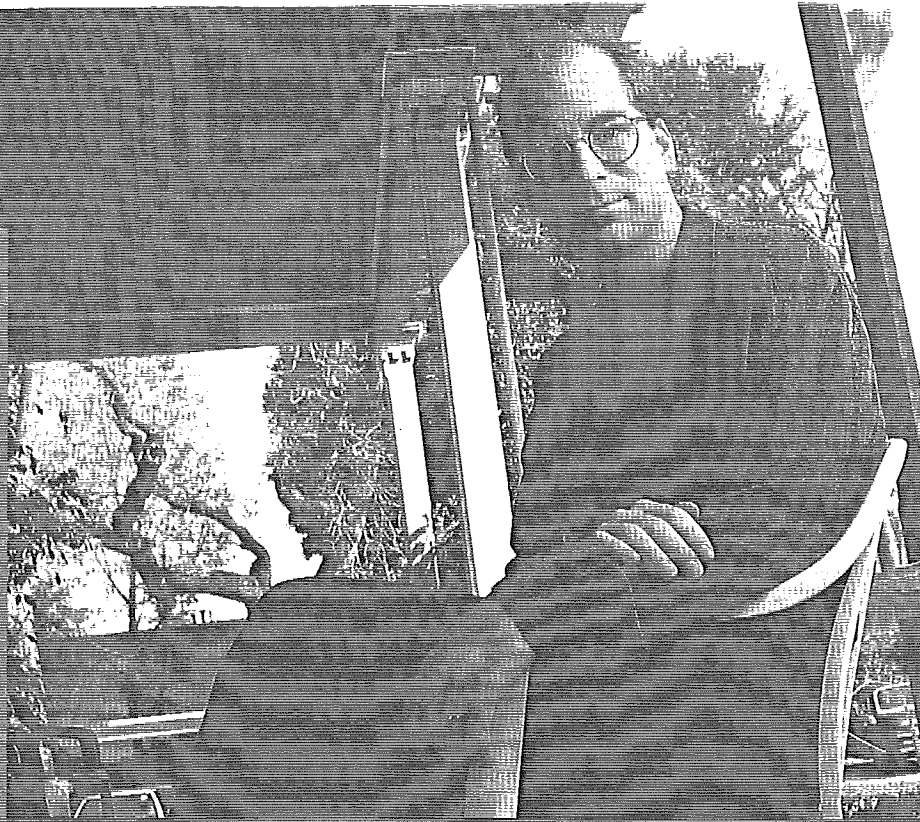
## A Little Company That Could

### Phoenix rises to the challenge of the Web

**W**hen \$6 billion General Electric Plastics division mulled a World Wide Web home page, it decided to seek outside help. But when tiny competitor Phoenix Polymers Inc. saw what GE had done, it said, "We can do that ourselves."

Phoenix, in fact, took its Web activities a step further by spinning off a new consulting business designing Web sites for others. "For us to be able to do something on a par with GE is tremendous," says Greg Koski, president of the 12-employee plastics manufacturer in Fitchburg, Mass. "I can't even begin to think what we'd have to spend on a [traditional] mar-

keting program." Dave King, technical services manager at Phoenix, says the company had plenty of Internet expertise from using the Net as an information source. "We've tended to hire computer-aware people," he says. When Phoenix decided to post their own home page, it never thought to seek outside help, says King. Phoenix already has two customers for its fledgling Web service business, but doesn't foresee joining the ranks of the hard-charging Web service providers. "We're not approaching it as a business opportunity," says King. "It's more to keep our own expertise current." —C.W.



**Thoughtful:** 'Companies should think through their objectives,' says WAIS's Kahle.

merceNet, a Menlo Park, Calif.-based consortium of 80 companies with Web presences.

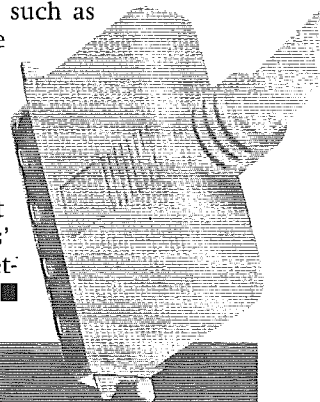
The dynamics already are changing at Macmillan Publishing, where Gold makes it clear that one of Free Range Media's duties is to train his staff in Web page expertise. "You don't want to be forever indebted to the company that built it," he says. "I want my staff to maintain it themselves once all the initial content is complete."

### Addressing Concerns

Web service companies can also help corporations deal with the No. 1 Internet phobia: security. Most service providers will post customer home pages on their servers if the customer wants, reducing the customer's network exposure to hackers. And many offer the ability to use a direct Web address, such as <http://www.visa.com>.

continue to provide the expertise that helps large companies bring their information, marketing message, and products into the new world of the Web—a world where even Ragu spaghetti sauce has a home page at <http://www.eat.com>

"If you're a staid old marketer such as Ragu, and you want to reach the young Net audience, a lot of these Web service companies are of that ilk," says Williamson of *Advertising Age*. "I don't think you'll see too many traditional marketers doing it themselves." At least not until those marketers' executive ranks are filled with veteran Net surfers.



Some smaller service providers even subcontract the actual running of Web servers. Net+Effects, for example, runs the Web pages it creates on servers at InterNex Information Services Inc. in Menlo Park, Calif.

So how do you find the Web service provider that's right for your company? One of the best ways is "word of mouse"—cruising around on the Web, finding home pages you find compelling, and contacting the companies to see which vendor they used, if any. Finesse Liveware maintains a list on the Internet of some 60 Web service companies, but it's by no means complete; it's available at <ftp://ftp.einet.net/pub/INET-MARKETING/wwwsvc-providers> or via electronic mail at [wwwproviders@finesse.com](mailto:wwwproviders@finesse.com).

### Growth Forecast

As Web service providers grow, some will merge and consolidate, some may become household names, and some may be bought by familiar industry powers. But even as the industry grows and matures, it will

## Home Page Do's And Don'ts

### DO

- ◆ Plan ahead. Consider where the Web fits into your sales and marketing strategy.
- ◆ Make it interactive. Consider online promotions, coupons, E-mail opportunities, and hypertext links.
- ◆ Create an online community. Make your Web site a place where customers and partners can go for information about your company.
- ◆ Be creative. Even arcane information can make a home page interesting.
- ◆ Update often. The Web allows for a lot of flexibility, so if it ain't broke, fix it anyway so it doesn't go stale.

### DON'T

- ◆ Announce a Web site before it's ready. Instead, offer an E-mail link that will send a message when it's ready.
- ◆ Assume everyone has a T1 line and a first-rate Web browser. Fancy graphics can be slow to download via modem. Instead, offer text-only alternatives.
- ◆ Be obsessed with what's 'cool.' It's better to keep content consistent with your corporate image.
- ◆ Rush onto the Web. Instead, consider your corporate goals in cyberspace and what it will take to achieve them. Doing it wrong is worse than not doing it at all.

SOURCE: INFORMATIONWEEK